Broadcasters mandate under the Communications Act and its predecessor the Radio Act of 1927. It's to broadcast in the public interest, convenience and necessity. Those words were added to the Radio Act by its principle author, Washington's United States Senator Clarence C. Dill from Spokane.

Maybe by peeling away the varnish of more than 80 years worth of interpretation of the the courts. Congress, and Commission and understanding what Senator Dill saw as the purpose of those words in his mind, perhaps we can shed some light on what the the Commission is deliberating about right now.

In the 1960s during a meeting in Spokane Senator Dill was asked how he developed the phrase "in the public interest, convenience and necessity." And by way of paraphrase, here's what he said. We struggled with a phrase that could qualify as the purpose of the act, and a Congress committee staffer on loan to our committee suggested the wording which was part of

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the Railway Act of 1922.

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It seemed that the wording as applied to railroads with multiple demands for lucrative routes could apply to broadcasting. As for its application to broadcasting, public interest broadcasters meant that should use their facilities information to present and entertainment of interest to the audience.

The term convenience meant that should be broadcasting at its reception convenient for the listener. Remember in those days radios were very cumbersome pieces furniture with several dials that had to adjusted in order to listen to a station. In fact, that is where is the term "tuning in" originated.

To Senator Dill necessity meant that radio broadcasting should be so interesting and so convenient that it would become a necessary part of the people's everyday lives.

Local broadcasters play a vital and active role in the lives of every Washington

1	community every day. Washington's radio and
2	television stations are managed and staffed by
3	Washingtonians. They live here. They work here.
4	They care deeply about their commitment to their
5	schools, their government, and they share an
6	abiding passion for serving those communities.
7	When disaster strikes, local
8	broadcasters are the information lifeline of the
9	community. When food banks or blood banks run
10	low on supplies, broadcasters sound the alarm,
11	and a crisis is averted.
12	Local broadcasters work hand in hand
13	with their communities' law enforcement agencies
14	to recover abducted children quickly and safely.
15	At election time Washington
16	broadcasters dedicate thousands of hours of
17	programming to insuring that candidates can reach
18	voters outside of the realm of paid attack ads,
19	and local broadcasters do more to get out the
20	vote than any other media.
21	In 1974 there were only 7,500 radio
22	stations and about 900 television stations on the

air. Today there are nearly 14,000 radio stations, nearly 2,000 television stations. As more and more stations are taking to the air, every station has had to do its very best to distinguish itself from the others, not to mention the staggering proliferation of cable and satellite channels.

Listeners now demand more specialized and narrow programming than ever. In fact, we're a niche culture. We expect to get exactly what we want and only what we want, nothing more, nothing less, exactly when we want it. We won't wait for 45 minutes for news at the top of the hour even through our favorite music because we don't have to. We know we can get news on another station right when we want it.

The underlying assumption upon which the regulation of free over-the-air broadcasting is based is now 80 years old, and it's been eclipsed by technology and abandoned by the public.

I'm not referring to the idea that the

airwaves belong to the public, nor is it about doing away with the public interest standard. We have never shirked those obligations and responsibility. I'm referring to the idea that stations can serve the public interest only by being all things to all people all the time.

The all things to all people paradigm was appropriate when there were only a handful of stations in any city, and many cities relied on stations at some distance to provide their own broadcast coverage. Today it neither reflects the expectations of the public its designed to serve nor the reality of the broadcast marketplace.

Out of necessity broadcasters followed the expectations of the public. Thev know they can't get a Pepsi at Starbucks, hear Brandenburg don't expect to the thev Concertos on an all sports station. It's about the public long ago having abandoned the expectation that every broadcaster must serve the need of every listener regardless of what else

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1	they find on the radio dial or that TV remote
2	control.
3	And it's about time that the Federal
4	Communication Commission catches up with them to
5	confront the worn out all things to all people
6	paradigm and bring the public interest standard
7	in conformity with the expectations of the
8	citizens it's designed to serve and adopt modern
9	media ownership rules according.
10	Thanks for the opportunity.
11	(Booing.)
12	MODERATOR SIGALOS: Thank you, Mr.
13	Allen.
14	(Booing.)
15	MODERATOR SIGALOS: Please.
16	Ms. Hindman.
17	MS. HINDMAN: Chairman Martin,
18	Commissioners McDowell, Copps, and Adelstein,
19	thank you for the opportunity to speak to you
20	today. I'm a board member for Up the
21	Communication for the United Church of Christ and
22	also a professor at the Edward R. Murrow School

of Communication at Washington State University.

Murrow is from Washington State and we try to
live his legacy of independence and ethical
behavior.

Today I want to talk to you about your

obligations as Commissioners. You are the stewards of the U.S. broadcast system. A steward is responsible for the property of another and is charged with caring for it wisely. The broadcast system belongs to the American people.

(Applause.)

MS. HINDMAN: The public is the owner, and you are our stewards. Your task is to determine how best to serve the public interest. I would suggest to you, however, that that task has been done. That choice has been made for you by looking at the history.

In 1934 Congress gave you a charge.

As the stewards of the American broadcasting system you are to "make available to all the people of the United States without discrimination a radio communication service."

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Those words from the Communication Act are clear, direct, and unequivocal. Your responsibility is to all the people, including those who would not be served well by your proposed changes.

(Applause.)

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MS. HINDMAN: In 1943 the U.S. Supreme Court considered an issue not unlike what faces you today. The two major radio networks were chafing at FCC requirements. In that case the Court understood the balance you must strike between the wishes of private enterprise and the needs of the American public. And the courts sided clearly with the American public.

In 1966 members of the public in Mississippi took issue with the Jackson, discriminatory news coverage provided by WLBT Television. That battle between a broadcaster and the public came to Judge, later Justice, Warren Berger. Judge Berger concluded that the representatives of the listening public had the right to intervene in license renewals. In other words, Judge Berger held that you, as

1	stewards for the American public must take the
2	public's views into account.
3	(Applause.)
4	MS. HINDMAN: In the 1960s Red Lion
5	Broadcasting Company challenged the FCC's
6	interpretation of public interest. In the
7	ensuing Supreme Court case Justice Byron White,
8	who always expected ethical behavior of the
9	media, summarized the answer to today's question
10	concerning ownership rules.
11	He wrote, "It is the purpose of the
12	First Amendment to preserve an uninhibited
13	marketplace of the ideas in which truth will
14	ultimately prevail rather than to countenance
15	monopolization of that market by private
16	licensee."
17	(Applause.)
18	MS. HINDMAN: Far more recently our
19	Court once again articulated your obligations to
20	the public. "In order to change ownership
21	standards, you must have evidence that such
22	changes will benefit the public."

Let me comment briefly on the ownership studies you commissioned, your studies, following the Prometheus case. According to comments filed with you by the Office of Communication incorporated as well as others, studies support tightening, your own not loosening media ownership limits.

(Applause.)

MS. HINDMAN: Your own studies find that creation of television duopolies reduces diversity by allowing large group owners to increase their holdings and forcing minorities and women out of the market.

Your own studies show that radiotelevision cross-ownership has led to less competition and less diversity and that crossownership devotes significantly less time to news programming.

Your own studies show that the intense consolidation in radio ownership since 1996 has significantly reduced the number of independently owned outlets, the best measure of viewpoint

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diversity.

Your own studies cannot provide the percentage of minority and female ownership.

Others have concluded those percentages are tiny and disproportionate.

Your own studies show that the current rules, much less the proposed rules, do not serve the public interest.

(Applause.)

MS. HINDMAN: Let me end with one example from here in Washington state, and this comes from one of my graduate students who did a study on this. In May 2006 a lahar warning went out from the American -- I'm sorry -- the Emergency Alert System. A lahar is a mud flow off a volcano. It can have catastrophic effects as you might imagine.

Only one 500-watt station played the warning. Because emergency warnings are now voluntary and expensive, other stations did not use it. Thankfully it proved to be a false alarm. Had it been real, several large

Washington state communities in the path of Mt.
Rainier could have been devastated with no
warning.
Commissioners, your stewardship
obligation is to act on the public's behalf. The
proposed ownership changes are not in the public
interest.
Thank you.
(Applause.)
MODERATOR SIGALOS: Thank you, Ms.
Hindman.
Ms. Kramer.
MS. KRAMER: Chairman Martin and
members of the Commission, thank you for coming
to Seattle.
The newspaper and broadcast cross-
ownership rules should not be loosened for many
reasons. I want to mention three of them.
One, we need more competition among
news outlets, not less. Cross-ownership
encourages multiple media outlets to use the same
story, and from a business perspective for a

1	cross-owner this makes perfect sense. This
2	causes problems for the public who depend on this
3	news because it limits the number of voices and
4	compounds shortcomings.
5	In recent years television stations
6	have increased revenue by treating news as
7	entertainment. Stories are shallower. They
8	become sound bites.
9	(Applause.)
10	MS. KRAMER: Television coverage seems
11	to emphasize visual and sensational aspects of
12	stories. If we combine shallow reporting with
13	cross-ownership, we will have a public that is
14	primarily informed by a few stories.
15	Television news used to be the
16	prestigious hallmark of a broadcasting company,
17	and those days are gone. Now news segments
18	contain less news than printed on a single page
19	of a broadsheet newspaper. For this, for this the
20	public gives up its airwaves?
21	(Applause.)
22	MS. KRAMER: The second problem

created by cross-ownership is a diminished involvement in local issues.

I'm honored to serve on this panel with Frank Blethen. His family has been a good steward to this community. He cares deeply about the quality of reporting and allocates substantial and precious resources to community service and improvements. His is a unique and powerful voice.

The president of the local broadcasting company is similar to Frank commitment to the local community, and importantly each, each of these CEOs has been involved in different community organizations and issues.

With more cross-ownership the fewer the community organizations that will benefit from direct senior executive involvement and perspective. Suppose you have five cities that are served by a conglomerate owning the majority of television and radio stations and newspapers. Instead of multiple executives who can contribute

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to each city, you are more likely to have a single CEO who may be active in each -- in the city of the company's headquarters and a single lead for each market who is busier in a conglomerate than in the local community.

The public's volunteer and leadership pools would be poorer because of it. It is not simply the organizations that will be affected, but we will have fewer examples of leadership and fewer opportunities for mentoring and coaching of the next generation of active community leaders.

This phenomena is not unique to media, although I've experienced firsthand the effects of consolidation of the non-daily newspapers in Washington state. We can never go back to the way things were, but neither should we lower the barrier to further consolidation, particularly as it relates to such a limited public resource as airwaves.

A third reason to limit consolidation is cross-ownership financially hurts communities. Whether you are a broadcast company or a

1	newspaper your existence depends upon
2	advertising. One of the advantages of cross-
3	ownership is that you can offer prices and
4	saturation to advertisers to expand the monopoly,
5	but eventually lower competition within a market
6	increases advertising cost to retailers.
7	This creates a combined effect. New
8	media startups can't match the package,
9	saturation offered by the conglomerate just can't
10	get advertising revenue. As the cost of
11	advertising increases, only the national retail
12	stores can afford the rates. This hurts the
13	ability of smaller more diverse retailers to
14	survive.
15	When people think of coming to
16	Seattle, even on business, are they inspired to
17	go to the local malls to see the same national
18	stores they can see at home or are they
19	encouraged to see local shops and markets that
20	are unique?
21	(Applause.)

MS. KRAMER: Cross-ownership and media

1 consolidation financially hurts a few -- helps a 2 few, but hurts many. It hurts us financially. 3 It hurts us through fewer voice -- fewer points 4 of view being heard. And it hurts us with fewer 5 leaders to contribute to the community and mentor 6 new leaders. 7 The economic leverage that the FCC has already given to broadcast companies must not be 8 used to further undermine localism and diversity. 9 Today we need the best reporting possible. 10 11 Things I thought impossible ten years ago are in 12 the news today -- secrets courts, torture, failed 13 policies, dangerous products. 14 (Applause.) 15 We simply cannot expect MS. KRAMER: 16 and better coverage from fewer more 17 noncompetitive conglomerates. In closing, I think I am a typical 18 19 I do not want one company to provide American. all my food or all my fuel, and I do not want one 20 21 company to provide all my news. 22

Thank you.

1	(Applause.)
2	MODERATOR SIGALOS: Thank you. Thank
3	you, Ms. Kramer.
4	Ms. Pearson.
5	MS. PEARSON: Good evening. I'm Pam
6	Pearson, Vice President and General Manager of
7	KCPQ Channel 13 and KMYQ-TV Channel 22, Tribune
8	Broadcasting duopoly in Seattle. I've been with
9	the station for eight years, with the company for
LO	22.
11	I began my career in Atlanta at Turner
12	Broadcasting Superstation TBS. It was about the
13	time the company launched CNN, or as it was known
14	back then, "Chicken Noodle News."
15	Clearly, I've seen a lot of changes in
L6	our industry as competition and technology have
17	given our audience so many more choices, but one
18	thing has not changed. Even as our competitors
19	in cable and satellite television compete with us
20	for local advertising and finance their program
21	offerings with ever increasing subscriber fees,
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over-the-air broadcasters have retained

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our

unwavering commitment to our local communities.

When I came to Seattle in 1999 KCPQ had just begun a half hour local newscast at 10 p.m. Since then we've grown our newsroom. We now broadcast five hours a day. We're the only station in Seattle/Tacoma to present a full hour of news in prime time and four hours live local news in the morning.

Having a duopoly means that when network programming or sports programming runs past 10 o'clock, we can shift the newscast to KMYQ on a second station so our viewers can always depend on us for local news at 10 p.m.

We've invested in the latest weather technology, a doppler radar station located on the coast that is able to see weather 24 hours out. We're the only local station with such a location. One that provides information so unique we share it with local public safety agencies to improve their ability to respond.

We produce a half hour public affairs show that airs every Friday night in prime time

on KCPQ, our Fox affiliate. In addition to airing a great many --

(Booing.)

MS. PEARSON: Not owned by Rupert Murdoch.

In addition to airing a great many public service announcements, in fact 24 today on the DTB transmission, telethons, and we provide strong support to many charitable and nonprofit organizations. With the assistance of the Robert R. McCormick Tribune Foundation we've established Q13 Fox Cares, a program for our local community that since 1999 has granted over 3 million dollars to this community. The stations in the foundation pick up all costs, so every dollar raised goes directly to help our communities.

KCPQ and KMYQ compete everyday with well financed, professionally run group broadcasters, one of which also owns a 24-hour cable news channel in the market, but no one from Tribune's corporate offices and certainly no one from the LA Times or the Chicago Tribune tells

how to cover our news.

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Being a part of a strong financial media company means we have the financial resources to expand and improve our commitment to news in a very challenging economy. It gives us the ability to convert two full power stations to digital and HDTV that stand-alone stations perhaps could not afford. It gives us access to the best programming to support our stations.

Being part of the Tribune family gives us access to award winning local, national, and international journalism from other stations and newspapers in our group whose efforts the station in Seattle could never afford or duplicate for our local audience.

Companies that operate newspapers and broadcast stations in the same market have been taken to task by my esteemed colleagues here at the Seattle Times. The Times editorial columnist says, The new economic model is to buy a television station and a newspaper in the same market and cut staff when the two newsrooms are,

quote, smooched together, unquote.

My own experience from working in Tribune markets in Chicago and LA -- Los Angeles, where our company also owns newspapers, is we do not combine our newsrooms or smooth them together. Our business units often cooperate, but they run independently to produce the best journalism.

equal. Yes, we sometimes draw on our sister publications to bring our viewers the best reporting; thus it was with some irony I noticed yesterday when checking the Seattle Times website the first article I ran across about today's public hearing and our rock star, Mr. Copps, was picked up from our publication, the LA Times.

Some of the proudest moments in my life have been our work at television. Back in 2001 after the earthquake, I ran downstairs to see how things were doing, and the crew burst back in, back down the hallway where they had been told to go outside, and they got on the air

1	because that's what local broadcasters do.
2	That's our mission.
3	Thank you very much.
4	MODERATOR SIGALOS: Thank you. Thank
5	you, Ms. Pearson.
6	Mr. Rand.
7	MR. RAND: Chairman Martin and members
8	of the Commission, my name is Jon Rand, and I'm
9	the general manager of KAYU Television in
10	Spokane. We're a small privately held company.
11	Thanks for inviting me here today.
12	As an advocate for medium and small
13	market television whose future depends on a
14	closer look at how stations operate and what it's
15	going to take for them to surprise and offer
16	multiple voices in the communities that they
17	serve, the transition to digital television has
18	been and continues to be a costly investment for
19	broadcasters.
20	If you think about it, the capital
21	investment for television stations in tiny
22	markets is the same as it is for major markets.

1 With little short term upside revenue as a result 2 of going digital, small market broadcasters have 3 struggled financially under the mandated 4 investment. 5 We believe strongly in the notion of 6 keeping a healthy number of viewpoints in the 7 market. In order to keep a myriad of expressions 8 alive, the industry must survive financially. 9 Please consider the Spokane television 10 market a case study of various market forces in 11 play that are at the heart of these deliberations 12 over media consolidation. 13 The station I manage in Spokane is a stand-alone Fox affiliate. We proundly air news 14 15 seven nights a week at 10 p.m., affording an 16 alternative to three 11 p.m. newscast and another 17 10 p.m. newscast in town. We compete in a market 18 with grandfathered newspaper-TV cross-19 ownership, with a TV duopoly owned by a major broadcaster, and with yet another TV station who 20 21 owns seven radio stations locally.

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1 Spokane, my station KAYU is the only lone wolf in 2 the market. In spite of the competitive 3 landscape, we feel that our station operates on a 4 very level playing field. 5 But there is twist to this story. 6 Until three and a half years ago the station I 7 manage produced its own 10 p.m. news, 8 unprofitably I must add. From a purely financial 9 perspective it made absolutely no sense for our 10 television station to continue producing news. 11 The solution for us was to reach an 12 agreement with one of our competitors to produce 13 a nightly newscast, one that was different than 14 their very successful news product, but that 15 targeted a younger audience that Fox prime to 16 deliver at 10 p.m. I'm happy to report these 42 months 17 18 later that KAYU News not only survived, but has 19 risen to a level of market leadership. Research conducted earlier in 20 revealed an interesting phenomenon. One of the 21

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